1946 **File No.** O. Securities 46

Legal Dept.

A **BRANCH**

Subject:- The Indian Securities Act 1920

Opinions under the

File No. O Securities 146

Gen. 194 a

151-A

Office of the R.I.A.

Government Promissory notes aggregating Rs. 5,000/- of the 3% Bombay Government Loan 1958 lost in the transit were securities issued by the Government of Bombay. The Bombay Government Securities Rules 1938 made under section 24 of the Indian Securities Act, 1920 will therefore apply to these Government promissory notes (please see rule 1(2) of Rules). Rule 11 of the said Rules provides that every application for the issue of a duplicate note in place of a Government promissory note which is alleged to have been lost, stolen or destroyed, either wholly or in part, shall be addressed to the Public Debt Office and shall be accompanied by a statement contaiming the particulars stated therein. "Public Debt Office" as defined by rule 2(f) means the office of the Reserve Bank of India on the Books of which a Government security is registered. Rule 12 provides for notification of the loss, theft or destruction of a note by the applicant in three successive issues of the Bombay Government Gazette. Rule 13(2) (b) provides that after the publication of the last notification prescribed in rule 12, the Financial Secretary shall, if he is satisfied of the loss, theft or destruction of the note and of the justice of the claim of the applicant cause the particulars of the note to be included in a list such as is referred to in sub-section (3) of section 10 of the Act, and shall order the Public Debt Office to issue to the applicant a duplicate note in place of the note so lost, stolen or destroyed six years after the date of publication of the said

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list, etc. etc., "Financial Secretary" as defined by rule 2(e) means the Secretary to the Government of Bombay in the same Department. It appears that these rules are also applicable in cases where the notes are lost in transit and the party is in no way responsible for the loss. It is clear from these provisions that before a duplicate of the Government Promissory note is issued under rule 13, the Secretary or the Deputy Secretary in the Finance Department must be satisfied of the loss of the note and of the justice of the claim of the applicant. Consequently the Reserve Bank of India would not, it appears, be competent to issue the duplicates in the present case without an order from the Financial Secretary under rule 13 of the Rules. The view taken by the Finance Department in paragraph 4 of its note at pages 2-4 ante is correct.

O.C. Sd/-

for Remembrancer of Legal Affairs.

U.R. to F.D. No. 731, dated the 26 January 1946.

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